

**GOVERNMENT OF ANDHRA PRADESH**  
**ABSTRACT**

**Internal Audit** – Rechristening (re naming) of existing Internal Audit wing as in Bureau of Internal Audit and Surveillance (BIAS) in Finance Department –Orders – Issued.\_\_\_\_\_

**FINANCE (ADMN.IV) DEPARTMENT**

**G.O.Ms.NO. 78**

Dated.02.03.2009  
Read the following

1. G.O.Ms.No.7, Finance (PMU) Department, dt.08.10.2002.
2. G.O.Ms.No.478, Finance (Internal Audit) Department, dt.10.11.2003.
3. G.O.Ms.No.479, Finance (Internal Audit) Department, dt.10.11.2003.
4. Govt.Memo.No.18675/174/Admn.IV/2008, dated. 06.12.2008, of Finance (Admn.IV)Department.
5. G.O.Ms.No.5, Finance (Admn.IV) Department, dated. 06.01.2009.

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**Orders:**

In the ref. 1<sup>st</sup> read above orders were issued entrusting the task of studying of State Financial Accountability Assessment for strengthening of Internal Audit as a mechanism for monitoring and evolution of internal controls by setting up the functions of Internal Audit in all key Departments. Based on the study report of Centre for Good Governance (CCG) orders were issued in the ref. 2<sup>nd</sup> read above constituting State Level Internal Audit Committee chaired by Principal Finance Secretary and District Level Internal Committee with District Collector as Chairman. In ref. 3<sup>rd</sup> read above an Internal Audit wing at Secretariat level in Finance Department has been created with certain staff. Instruction were also issued vide ref. 4<sup>th</sup> read above for starting of Internal Audit work with immediate effect.

In pursuance of the above orders, were issued in ref. 5<sup>th</sup> read above , directing the Director of Treasuries and Accounts to submit a list of employees to attend the work Internal Audit from time to time with an arrangement that they will continue in the Accounts branches of the departments where they are presently working for all practical purposes. They will concentrate on high value transaction instead of spreading their efforts thinly.

In view of the importance of the subject and to have master control that looks at the effective working of the other controls in the departments. Government here by orders for rechristening the present Internal Audit wing in Finance Department as the “Bureau of Internal Audit and Surveillance”(BIAS) which will have a flat structure with Internal Audit teams headed by supervising officers reporting directly to the Internal Audit Directorate. The audit staff will be provided appropriate training before starting Internal Audit of Department.

The Internal Audit will provide assurance in the following audit areas:

- 1) Audit of cash receipts and cash bills
- 2) Audit of fixed assessments
- 3) Audit of establishment
- 4) Audit of contingent bills
- 5) Audit of grant –in –aid
- 6) Audit of procurement of goods and services.
- 7) Budgetary controls
- 8) Assessment of computerization
- 9) Assessment of risk of fraud.

The entry conference will provide start of internal audit and the draft report will be discussed with the Heads of Departments and other officers during the exit conference. The Internal Audit report will contain the following chapters:

- Executive Summary
- Scope paragraph
- Audit observations.

**Part.1- A:** Serious irregularities in which corrective action can be taken immediately eg: Minor changes in the current organization structure (or) introduction of a new MIS report for effective monitoring.

**Part.I B:** Serious irregularities where corrective actions need some time eg: Creation of a separate cell for monitoring quality (Appointment of a senior officer etc.)

**Part. B: Other irregularities:**

The Director, BIAS will conduct a quality check of the audit report. The follow up on the report will be done by the administrative departments and the expenditure sections of Finance Department.

**(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)**

**Dr. SAMEER SHARMA,  
SECRETARY TO GOVERNMENT (FP)**

To  
All the Departments of Secretariat,  
All the HODs, under the control of Finance Department,  
The AGAP, Hyderabad.

//FORWARDED BY ORDER//

SECTION OFFICER